June 29, 2010

The Honorable Isaac V. Figir
Speaker
16th FSM Congress
Palikir, Pohnpei State, FM 96941

Dear Speaker Figir:

I am pleased to transmit herewith the following Congressional Act which I have signed to become Public Law No. 16-38, to wit:


This amendment to the law that creates the Insurance Board finally clarifies the distinct nature of the delegated functions pertaining to insurance vis-à-vis the banking sector. Hence, the Nation’s two distinct and critical industries, namely, banking and insurance, must be regulated separately.

I take this opportunity to thank you and all the members of Congress for your hard work and for the passage of this act.

With warm personal regards, I remain,

Sincerely,

Manny Mori
President

Enclosures:

xc: Chief Justice, FSM Supreme Court
Secretary, Department of Justice
Director, Office of SBOC
Legislative Counsel, CFSM
Library, CFSM
PIO, FSM
June 02, 2010

His Excellency Manny Mori
President
Federated States of Micronesia
Palikir, Pohnpei FM 96941

Dear President Mori:

I have the honor to transmit herewith Congressional Act No. 16-38, "AN ACT TO AMEND SECTIONS 201 AND 203 OF TITLE 37 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA, AS ESTABLISHED BY PUBLIC LAW NO. 14-66, TO SEPARATE THE FUNCTIONS OF THE INSURANCE BOARD AND THE INSURANCE COMMISSIONER FROM THE BANKING BOARD AND THE BANKING COMMISSIONER, AND FOR OTHER PURPOSES.", which was passed by the Sixteenth Congress of the Federated States of Micronesia, Fourth Regular Session, 2010, by a two-thirds vote of all the State delegations as required and as duly certified.

Sincerely yours,

[Signature]

Liwiana Ramon Ioanis
Chief Clerk, Congress of the
Federated States of Micronesia

Enclosures
An Act


INTRODUCED BY: SENATOR JOE N. SUKA (BY REQUEST)

DATE: FEBRUARY 5, 2010

REFERRED TO: COMMITTEE ON RESOURCES AND DEVELOPMENT
S.C.R. NO. 16-81 – MAY 27, 2010

FIRST READING: MAY 29, 2010
SECOND READING: MAY 30, 2010

Liwiana Ramon Ioanis
Chief Clerk, FSM Congress
ACT NO. 16-38

(CONGRESSIONAL BILL NO. 16-81, C.D.1)

We hereby certify that on May 30 the foregoing act passed Second and Final Reading of the Sixteenth Congress of the Federated States of Micronesia, Fourth Regular Session, 2010, by a two-thirds vote of all the State delegations as required under article IX, section 20, of the Constitution of the Federated States of Micronesia.

Isaac V. Figir
Speaker
Congress of the Federated States of Micronesia

Liwiana Ramon Ioanis
Chief Clerk
Congress of the Federated States of Micronesia
AN ACT

To amend sections 201 and 203 of title 37 of the Code of the Federated States of Micronesia, as established by Public Law No. 14-66, to separate the functions of the Insurance Board and the Insurance Commissioner from the Banking Board and the Banking Commissioner, and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

1. Section 1. Section 201 of the title 37 of the Code of the Federated States of Micronesia, as established by Public Law No. 14-66, is hereby amended to read as follows:

"Section 201. Establishment of the Insurance Board.

(1) There is hereby established an Insurance Board which shall be composed of three members appointed by the President and with the advice and consent of the Congress of the Federated States of Micronesia.

(2) All appointments shall be for a term of four years; PROVIDED, HOWEVER, that, unless otherwise provided by the President, all rights and powers of an Insurance Board member shall be maintained by each member until the appointment of such member's successor. Insurance Board members shall be eligible for reappointment.

(3) The Chairman of the Insurance Board shall be elected by the members at the first organizational
meeting of the Board.

(4) Prior to the appointment of members of the Insurance Board constituting a quorum, the Banking Board shall serve as the Insurance Board. Furthermore, until separate logistical and administrative support are available to the Insurance Commissioner, the Insurance Commissioner shall utilize on a temporary basis the logistical and administrative support available to the Banking Commissioner. Nothing herein derogates the authority and prerogative of the President to provide administrative support to the Insurance Board and the Insurance Commissioner pursuant to the provision of section 206.

Section 2. Section 203 of the title 37 of the Code of the Federated States of Micronesia, as amended by Public Law No. 14-66, is hereby amended to read as follows:

"Section 203. Insurance Commissioner.

(1) The President shall appoint a person to be the Insurance Commissioner who shall be responsible to the Insurance Board for the execution of its policy and the performance of duties and exercise of powers conferred by this title.

(2) The Insurance Commissioner shall be a person of recognized experience in insurance and financial matters
and shall be eligible for reappointment. The Insurance
Commissioner shall not hold or occupy any other office
unless approved in writing by the President.

(3) The remuneration and other terms and conditions
of employment of the Insurance Commissioner shall be
determined from time to time by the Insurance Board.

(4) The Insurance Commissioner shall, except as may
otherwise be provided in this title or the resolutions
of the Insurance Board, have the power to act and sign
instruments and documents on behalf of the Insurance
Board.

(5) The Insurance Commissioner shall serve, ex
officio, as a non-voting member of the Insurance Board.

(6) During any period when there is no duly appointed
person serving as Insurance Commissioner, the Chairman
of the Insurance Board shall perform the duties and
exercise the rights of the Insurance Commissioner."
Section 3. This act shall become law upon approval by the President of the Federated States of Micronesia or upon its becoming law without such approval.

June 29, 2010

Manny Mori
President
Federated States of Micronesia